



United States Department of State

Washington, D.C. 20520

February 26, 1986

~~SECRET~~MEMORANDUM

TO: Interagency Group on Iran-Iraq War

FROM: NEA - A. Peter Burleigh

SUBJECT: Follow-up Action Plans for Iran-Iraq War

As per the informal Interagency Group meeting which was held on Friday, February 21, the following suggestions have been made for consideration for follow-up action.

Diplomatic Efforts:

A. Chemical Warfare:

The U.S. has encouraged UN Secretary General to investigate allegations from both Iran and Iraq that CW is being used in the al-Faw campaign;

Even should Iraq decline to receive the U.N. investigatory team, the U.S. will work to ensure that it is despatched to investigate Iranian charges of Iraqi use; these investigations could take place in Iran or in European capitals, as before;

(February 19 posted statement condemning Iraqi use of CW has not had press attention to date but may be useful in Congressional briefings and hearings. On February 24 at the Noon Press Briefing we referred to it again and there was still no press interest).

B. Soviet Union:

Though our history of attempts to raise the Iran-Iraq war with Soviet officials has not been a productive one, there was a general consensus that we not give up the attempt, since the Soviets play a critical role as arms supplier (directly and indirectly) to both sides in the conflict.

~~SECRET~~

25X1

not as
critical
to Iran

SECRET

-2-

Two questions were raised, the answers to which might mean that the Soviets would be ready to reassess their previous unresponsiveness to our attempts to engage them on the war. These are:

-- has the change on the battlefield, with Iran doing relatively better and Iraq relatively less well, altered or might it alter the Soviets' perception of their interests?

-- do the Soviets, also as a result of recent developments, show more concern for Iraq's staying power than had previously been the case? do they believe that Iran has decided to make a major effort toward a breakthrough? *No reliable evidence of this as yet.* *Not clear.*

The answers to these questions are not self-evident. If the Soviets are more concerned about Iranian capabilities and intentions than previously, they could move on their own, and with their Warsaw Pact allies, to limit the flow of arms to Iran. We are unlikely to know that this has happened until several months after the decision is taken. The Soviets have already told Iraqi leaders that such steps have been taken, in the Warsaw Pact context. To date we do not believe this to be the case. *agree.*

ILLEGIB

There are no dates yet agreed for the Shultz/Shevardnadze meeting; the ultimate decision about that meeting will hinge on other issues. Recently, working level Soviet MFA officials have suggested to Embassy Moscow that the Soviets would like to discuss the war with us. This may well be a ploy to entice us into agreeing to a Regional Experts meeting on the Middle East (Murphy/Polyakov), something we have not been willing to do. prior to the Shultz/Shevardnadze meeting. It could also be a serious probe, in which case we could consider either: a) a Regional Experts meeting limited to the Iran-Iraq war, or b) taking up the issue in bilateral demarches (Shultz/Dobrynin, Armacost-Dobrynin, or Hartman/Shevardnadze) or more than one of these. *hasnt been followed up on*

ACTION PROPOSAL: NEA favors pursuing the Soviets on the issue, possibly along the following lines: (a) a demarche here or in Moscow proposing serious exchanges about the Iran-Iraq war with the Soviets; (b) if there is Soviet interest, a U.S. agreement to a Regional Experts meeting on the Iran-Iraq war only, not linked to other Middle East/regional issues such as the peace process or Afghanistan. Arab states to be kept informed of our approaches to the Soviets and of the Soviet responses.

SECRET

SECRET-3-

C. China

We have a history of raising the Iran-Iraq war with the Chinese and hearing from them that we share a similar, if not identical, assessment of the situation. When we delicately raise the question of Chinese arms supplies to Iran the Chinese have categorically denied any such supply. They have done this in a number of discussions, most recently with Under Secretary Schneider in Beijing in early February.

Notwithstanding these Chinese assurances, we now have a substantial body of information that the large Chinese arms industry is supplying substantial amounts of equipment and spare parts to Iran directly, and indirectly through private businesses in Hong Kong as well as North Korea.

ACTION PROPOSAL: NEA favors renewed, high level, approaches to the PRC, both here (Armacost/PRC Ambassador Han) and in Beijing (Lord/MFA _____). In such demarches we would lay out our views of the long-term strategic importance of the conflict and of the very negative strategic fallout of an Iranian "victory". Query: can we safely assume that the Chinese will be interested in our strategic assessment and that they will share our alarm at the prospect of a triumphant Iran? Are there Arab states which have links with China which might be encouraged to weigh with similar points (Oman, Egypt, Jordan, Iraq itself)? Is Chinese policy toward Iran being influenced by special understandings between the Chinese and the Iranians concerning Afghanistan?

D. North Korea

North Korea, both as a producer and transhipper, may now be Iran's single most important supplier of equipment, ammunition and spare parts. U.S. influence over North Korea's decisions is nil. Who has influence over North Korea, particularly if it is the case that the Korean economy is now unusually dependent on the Iranian trade?

The Soviet Union at present has more influence in Pyongyang; thus the dialogue with the Soviets may ultimately have some impact on North Korean actions. China is also reportedly "laundering" some of its shipments to Iran via North Korea. The Iraqis have had no luck in encouraging the Koreans to desist from their supply.

ACTION PROPOSAL:?

SECRET

SECRET

-4-

E. Syria

Syrian support for the Iranian war effort is complex and complicated, based on its historical rivalries with Iraq as well as intra-Arab disputes over the peace process, relations with the Palestinian movement, and competing ambitions to dominate. Syrian and Libyan political support for Iran has been important in breaking the otherwise unified Arab support for Iraq.

The Syrian decision to close down the Iraqi pipeline to the Mediterranean early in the war, after Iraq's oil facilities had been destroyed by Iran, was a major blow. A Syrian decision to reopen it now would have less economic, but very major political, impact. Both the Saudis and Kuwaitis have been to Damascus to press the Syrians to reconsider their position on the war. By most reports, they got nowhere. The Saudis have made another effort, but with similar results. Indeed, there is preliminary evidence (Iranian 747s loading at Damascus airport last week and this week), that Syria may be increasing its logistical support for Iran at the same time that it is talking with the Saudis and other supporters of Iraq.

ACTION PROPOSAL: NEA believes that it is unlikely that Syria will change its position on the war, despite the fact that Iran is occupying the al-Faw salient in Iraq. If Syria were to change its position, it would be as a result of wringing compensatory concessions from the Saudis and other Gulf Arabs that would equal or surpass the value of the oil it now gets from Iran. Thus in routine conversations with Arab friends of Iraq it would be useful to raise the Syria question, as Assistant Secretary Murphy did repeatedly last week in consulting with Arab delegations at the UN. A more orchestrated and direct U.S. campaign against Syria on this issue would be counter-productive.

F. The Gulf Cooperation Council (GCC) States

The GCC states are reacting, on the whole, in a calm way to the relatively successful Iranian offensives. The one exception is King Fahd who has characteristically, nervously, asked for signs of U.S. commitment to Saudi - and more generally, Gulf - security. We want to position ourselves to be supportive of the GCC concerns without in the process heightening their anxieties with hyped descriptions of Iranian intentions and abilities. In this process, we need to walk a

SECRET

SECRET

-5-

delicate line between appearing unconcerned and over-reacting to the Iranian offensive. Since within the USG the Iranian gains are being used to propel the Saudi missile sale on the Hill, balancing these interests is a tricky challenge.

At bottom we want to reassure the GCC states and, in the process, help them decide to resist Iranian pressures to be "neutral" regarding Iraq. Their continued, perhaps increased, financial support and transshipment facilities are critical to Iraq's maintenance of its war efforts. More generally, it is important that the GCC convey a unified front to the Iranians so that the message is clear: if the war is spread, to Kuwait for example, there will be a united GCC effort to resist. "Separate deals" by individual GCC states with the Iranians, an active proclivity of the U.A.E. and Oman, must be discouraged.

ACTION PROPOSALS: PM and NEA believe that the following steps should be taken to pursue these goals:

- o be prepared to make additional U.S. statements, as appropriate, along the lines of our February 11 announcement: reaffirming USG support for the territorial integrity of the neutral states in the region and noting that expansion of the war would be a "major threat" to USG interests.
- o move pending Saudi arms sales and accelerate items in the pipeline; consider expediting delivery of some of the new sales items.
- o increase visits of high level USG VIPs to all GCC states and include both political and military VIPs; invite GCC counterparts to the U.S.
- o further reinforce MIDEASTFOR with additional warships to enhance its political presence as well as to provide additional combat power.
- o ask the GCC states to identify shortfalls in their combat inventories that we can position ourselves to fill should hostilities break out (offer to send teams to help identify shortfalls and substitute items if they have problems doing so themselves).
- o reaffirm directly, as well as through the Saudis, that in such a contingency U.S. AWACs data would be available

SECRET

SECRET

-6-

for all GCC air defense forces, and be prepared to move the necessary equipment (on an emergency basis) to make some link-up feasible should they respond.

- o inform the GCC states that, should they deploy forces in collective self-defense, they have an automatic approval to move their American equipment.

- o express U.S. willingness to provide airlift support to any GCC deployments other than to Iraq.

- o review the PORT GRAND operations concept to assess whether they are fully relevant to the current situation.

- o reconsider whether the US has and, if it has, should communicate its "red lines" to the GCC states and to Iran; this would be interpreted as an "ultimatum" by Iran. NEA believes that before such an ultimatum is made to any state, we need to be reassured that we have both the capability and the will to use the capability should Iran choose to transgress the "red line". To bear in mind: a toothless ultimatum likely would be seen as such and if it were toothless enough, might encourage an Iranian probe.

G. Iran

Implicit in the foregoing discussion is the assessment that there is little which the U.S. can directly do to restrain Iranian decision-making regarding the war. In short, the war appears to be a deep-rooted national project and particularly at present the Iranian regime and public appear to be firmly optimistic about their prospects. Basically, the reason we are freshly concerned about the war prospects is that Iran appears to be doing well; this evaluation is fully shared in Iran.

That having been said, Iranian oil export levels have dropped off substantially with the decline in prices -- and prospects for the reversal of this trend are unpromising, at least in the short and mid terms. There may be some limited U.S. economic leverage on Iran, by way of influencing third parties, particularly the Japanese, to cut back even further than they have done already, on their purchases of Iranian oil.

ACTION PROPOSALS:

- 1) NEA, with EB assistance, is urgently assessing the scope for a possible demarche/suggestion to the Japanese regarding

SECRET

SECRET

-7-

their purchases of Iranian oil. Under Secretary Armacost is holding meetings with his Japanese equivalent March 3-5 and we will have something for his use in those meetings.

2) though it has supported the view that the USG should actively consider opening a private line of communication to Iran, NEA does not believe that this could be orchestrated now, in the midst of the offensive, without conveying an appearance of U.S. weakness and reinforcing Iranian optimism about its prospects.

Mediation Efforts: is it time?

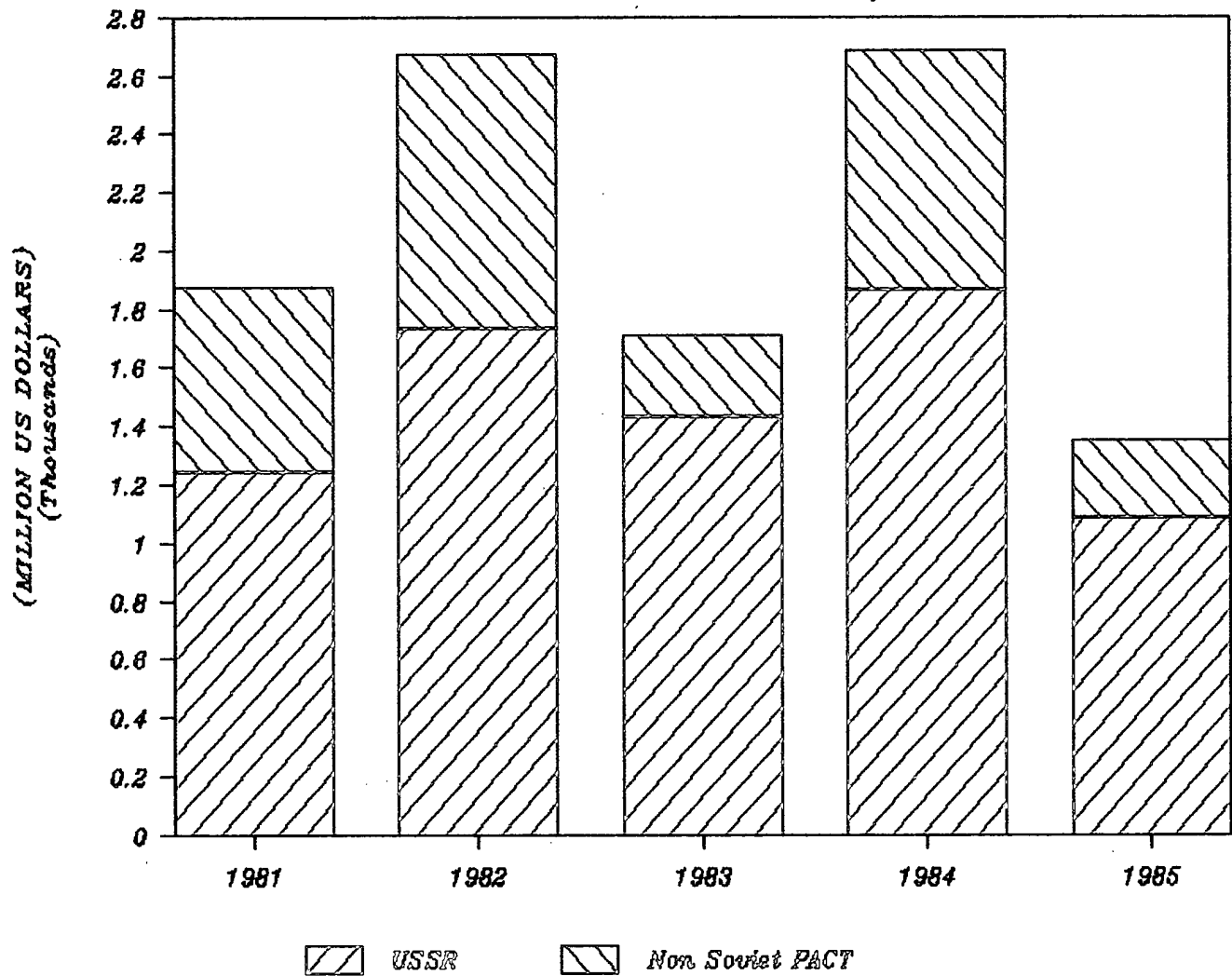
The recent experience in dealing with the Iranians in the UN Security Council context leads to the conclusion that they are not yet ready to engage in any serious negotiation which might be acceptable to the Iraqis. They are ready, or say they are ready, to engage only on their terms which include a condemnation of Iraq and Saddam Hussein and probably other requirements.

ACTION PROPOSAL: When the current Iranian offensive(s) are contained or rolled back it will be time to consider whether to arrange a UK/US/Sweden/UN Secretariat meeting in New York to assess whether the timing is right to propose a Palme trip to the region. It is our view that such a meeting would be premature at present, but this is an option which we need to keep reassessing.

2/26/86
#0304Z

SECRET

ESTIMATED VALUES OF SOVIET AND WARSAW PACT DELIVERIES TO IRAQ



ESTIMATED VALUES OF SOVIET AND WARSAW PACT DELIVERIES TO IRAN

